

RESOLUTION NO. 07-35

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AUTHORIZING THE ISSUANCE OF ITS VARIABLE RATE DEMAND REVENUE BONDS (ST. MARGARET'S EPISCOPAL SCHOOL) SERIES 2008 TO FINANCE AND REFINANCE THE COSTS OF THE CONSTRUCTION, EQUIPPING AND FURNISHING OF CERTAIN ECONOMIC DEVELOPMENT FACILITIES, PROVIDING THE TERMS AND CONDITIONS FOR THE ISSUANCE OF THE BONDS AND OTHER MATTERS RELATING THERETO AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS

WHEREAS, the California Infrastructure and Economic Development Bank (the "Issuer") was established pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 and following) (as now in effect and as it may from time to time hereafter be amended or supplemented, the "Act"), for the purpose of, among other things, providing financial assistance for the design, construction, financing and development of economic development facilities (as such term is defined in the Act) located in the State of California;

WHEREAS, St. Margaret of Scotland Episcopal School, a California nonprofit public benefit corporation (the "Corporation"), has applied for the financial assistance of the Issuer to (i) finance the construction, furnishing and equipping of certain educational facilities, including a new performing arts education center and middle school campus, and the renovation of lower school classrooms and all-school dining, library and athletic buildings and related infrastructure improvements, (ii) refinance certain educational facilities previously acquired, constructed or renovated by the Corporation, including an upper school campus, an administrative office building, a field house and a math and science center (all located or to be located at 31641 La Novia, San Juan Capistrano, California 92675; 27461 and 27481 Calle Arroyo, San Juan Capistrano, California 92675; and 31732 Rancho Viejo Road, San Juan Capistrano, California 92675) (the "Project"), (iii) fund capitalized interest with respect to a portion of the Bonds (as hereafter defined) and (iv) pay the costs of issuance incurred in connection with the issuance and sale of the Bonds;

WHEREAS, the Corporation desires that the Bonds be secured by an irrevocable, direct-pay letter of credit (the "Letter of Credit") issued by Allied Irish Banks, p.l.c., acting through its New York Branch;

WHEREAS, the Corporation requests the Issuer to issue bonds in one or more series bearing interest at a variable rate of interest, to assist in financing and refinancing the Project and for the other purposes specified in the second recital hereto, and has requested the Issuer to authorize the issuance of its California Infrastructure and Economic Development Bank Variable Rate Demand Revenue Bonds (St. Margaret's Episcopal School) Series 2008 (the "Bonds"), in an aggregate principal amount not to exceed \$25,000,000;

WHEREAS, there is now on file with the Secretary of the Issuer the following:

- (a) a proposed form of the Loan Agreement (the "Loan Agreement") to be entered into by and between the Issuer and the Corporation;
- (b) a proposed form of the Indenture (the "Indenture") to be entered into between the Issuer and Wells Fargo Bank, National Association, as trustee (the "Trustee");
- (c) a proposed form of Purchase Contract (the "Purchase Contract") with respect to the Bonds, to be entered into by and among the Issuer, the Treasurer of the State of California, the Corporation, and Stone & Youngberg LLC, as underwriter (the "Underwriter"); and
- (d) a proposed form of Official Statement with respect to the Bonds to be used in connection with the offering and sale of the Bonds.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the California Infrastructure and Economic Development Bank, as follows:

Section 1. The form of Loan Agreement on file with the Secretary of the Issuer is hereby approved, and the Executive Director and the Chair of the Issuer, or the Chair's designee, and each of them, acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver the Loan Agreement to the Corporation with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof. The Issuer further authorizes and approves the loan of the proceeds of the Bonds to the Corporation in order to finance and refinance the cost of the Project and for the other purposes stated in the second recital hereto pursuant to the terms and provisions of the Loan Agreement.

Section 2. The form of Indenture on file with the Secretary of the Issuer is hereby approved, and the Executive Director and the Chair of the Issuer, or the Chair's designee, and each of them, acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver to the Trustee, and the Secretary of the Issuer is authorized to attest thereto, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof.

Section 3. The proposed form of Purchase Contract on file with the Secretary of the Issuer is hereby approved, and the Executive Director and the Chair of the Issuer, or the Chair's designee, and each of them, acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver the Purchase Contract, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof. The Treasurer of the State of California is hereby authorized and requested to sell the Bonds in one or more series, at any time within one hundred eighty (180) days of the adoption of this Resolution, at negotiated sale, at such price and at such initial interest rate as he may determine.

Section 4. The form of Official Statement on file with the Secretary of the Issuer is hereby approved. The Underwriter is hereby authorized to distribute copies of the Official Statement in connection with the offering of the Bonds with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by delivery thereof to the Underwriter. The Underwriter is hereby authorized and directed to distribute copies of the Official Statement to the purchasers of the Bonds.

Section 5. The Issuer approves the issuance of the Bonds in accordance with the terms of, and to be secured by, the Indenture, in an aggregate principal amount not to exceed \$25,000,000, to assist in financing and refinancing the Project and for the other purposes stated in the second recital hereto. Payment of the principal of and premium, if any, and interest on the Bonds shall be made solely from payments made by the Corporation and the other sources expressly provided in the Indenture and the Bonds shall not be deemed to constitute a debt or liability of the Issuer or the State. The Executive Director and the Chair of the Issuer, or the Chair's designee, and each of them, acting alone, is hereby authorized and directed to execute, in the name and on behalf of the Issuer, by manual or facsimile signature, the Bonds in accordance with and in the form set forth in the Indenture. The Bonds shall bear interest at the rates determined in accordance with the provisions of, mature (not later than 50 years after the Issuance Date) and be subject to redemption as provided in, and be in the form set forth in the Indenture.

Section 6. The Bonds, when executed as provided in Section 5, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds so delivered by executing the certificate of authentication appearing thereon and to deliver the Bonds, when duly executed and authenticated, to the Underwriter in accordance with written instructions executed on behalf of the Issuer by the Executive Director or the Chair of the Issuer, or the Chair's designee, which instructions said officer is hereby authorized and directed, for and in the name of and on behalf of the Issuer, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the Underwriter upon payment of the purchase price therefor.

Section 7. Based upon representations made by the Corporation, the Board of Directors of the Issuer hereby finds and determines that:

- (a) the Project is located in the State;
- (b) the Corporation is capable of meeting its obligations under the Loan Agreement;
- (c) the payments to be made under the Loan Agreement are adequate to pay all current expenses of the Issuer in connection with the Bonds and to make all payments with respect to the Bonds when due;
- (d) the proposed financing is appropriate for the Project;
- (e) the Project demonstrates clear evidence of a defined public benefit; and
- (f) the Project is consistent with any existing local and regional comprehensive plans.

The finding in subsection (b), above, is based on the requirement that the Bonds will be secured by the Letter of Credit and rated in one of the three highest rating categories of Moody's Investors Service, Fitch, Inc. or Standard & Poor's Ratings Services, without regard to numerical or other qualifiers.

Section 8. The Board of Directors of the Issuer hereby finds and determines that the proposed financing complies with the criteria, priorities and guidelines adopted by the Issuer pertaining to the conduit issuance of revenue bonds.

Section 9. The Executive Director and the Chair of the Issuer, or the Chair's designee, and each of them, acting alone, is hereby authorized to execute all documents, certificates and instruments necessary or appropriate to this transaction and the issuance and sale of the Bonds.

Section 10. All actions heretofore taken by the officers and agents of the Issuer with respect to the approval, issuance and sale of the Bonds are hereby approved, confirmed and ratified, and the officials and officers of the Issuer and their authorized designees are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates and documents that they, their counsel or bond counsel may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds and otherwise to effectuate the purposes of this Resolution.

Section 11. This Resolution shall take effect from and after its adoption.

PASSED, APPROVED, AND ADOPTED at a meeting of the Board of Directors of the California Infrastructure and Economic Development Bank on December 20, 2007, by the following vote:

AYES: Matteucci, Sheehan, Rosenstiel, Saragosa, Rice

NOES: None

ABSENT: None

ABSTAIN: None

By 
Stanton C. Hazelroth, Executive Director

Attest:

By 
Roma Cristia-Plant, Secretary